

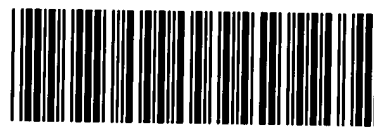
**Autonomous Robotics Limited**

**Report and Financial Statements**

For the year ended 31 December 2022

Registered No. 08704658

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## Report and financial statements

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Autonomous Robotics Limited

## Directors and other information

### Directors

C D Soukup  
D A Grant  
A Holloway

### Registered office

Eastleigh Court  
Bishopstrow  
Warminster  
Wiltshire  
BA12 9HW

Registered No. 08704658

### Bankers

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EY

### Auditors

RPG Crouch Chapman LLP  
5th Floor, 14-16 Dowgate Hill  
London  
EC4R 2SU

## Directors' report

The directors have pleasure in presenting their report for the year ended 31 December 2022.

### Principal activities, review of business and future prospects

The principal activity of the company in the year under review was that of research and development of geophysical node technology.

A full review of the year is shown in the parent company Thalassa Holdings Ltd's Group accounts which are available on their website [www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com).

### Results and Dividends

The loss for the year ended 31 December 2022 was £109,983 (2021 loss: £158,981). The directors do not propose to pay a dividend.

### Going Concern

The financial statements have been prepared on the going concern basis. This contemplates the realisation of the assets and liabilities in the ordinary course of business. The company's ultimate holding company, Thalassa Holdings Ltd, has agreed to provide financial support and not demand repayment to enable the company to meet its future liabilities as they fall due. A letter confirming this has been obtained.

### Directors

The Directors of the Company during the year ended 31 December 2022 were as follows:

C D Soukup  
D A Grant  
A Holloway

### Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director, including making appropriate enquiries of the company's auditor for that purpose, in order to make themselves aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditor is aware of that information.

### Small company provisions

Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006 in the preparation of the Directors' Report and from the requirement to prepare a strategic report.

By Order of the Board



C D Soukup  
Director  
4 July 2023

## **Directors' Responsibilities Statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Accounting Standards as adopted by the UK and applicable law. The financial statements must, in accordance with IFRS as adopted in the United Kingdom, present fairly the financial position and performance of the company; such references to the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report**

## **to the members of Autonomous Robotics Limited**

### **Opinion**

We have audited the financial statements of Autonomous Robotics Limited (the "Company") for the year ended 31 December 2022, which comprise the statement of financial position, the statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-Adopted International Accounting Standards ("IFRS").

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# **Independent auditor's report**

**to the members of Autonomous Robotics Limited**

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

# Independent auditor's report

to the members of Autonomous Robotics Limited

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Company operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

## Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Mark Wilson MA FCA (Senior Statutory Auditor)  
for and on behalf of  
**RPG Crouch Chapman LLP**

Chartered Accountants  
Registered Auditors  
5th Floor, 14-16 Dowgate Hill  
London EC4R 2SU  
Date: 4 July 2023

Autonomous Robotics Limited

**Statement of comprehensive income**

for the year ended 31 December 2022

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
		£	£
Revenue	3	84,920	109,565
Cost of Sales		(95,925)	(48,342)
<b>Gross Loss</b>		<b>(11,005)</b>	<b>61,223</b>
Administrative Expenses		(167,047)	(342,370)
<b>Operating loss before depreciation</b>		<b>(178,052)</b>	<b>(281,147)</b>
Depreciation and amortisation		(12,132)	(12,389)
<b>Operating loss</b>	4	<b>(190,184)</b>	<b>(293,536)</b>
Other Income		25,485	-
Finance costs	6	(492)	(822)
<b>Loss before taxation</b>		<b>(165,191)</b>	<b>(294,358)</b>
Income tax	7	55,208	135,377
<b>Total comprehensive expense for the year</b>		<b>(109,983)</b>	<b>(158,981)</b>

There are no items of other comprehensive income.

The notes on pages 12 to 24 form an integral part of the financial statements.

**Statement of financial position**

for the year ended 31 December 2022

	Notes	As at 31 December 2022 £	As at 31 December 2021 £
<b>Non-current assets</b>			
Intangible assets	8	1,307,147	888,739
Property, plant and equipment	9	21,068	31,670
		<u>1,328,215</u>	<u>920,409</u>
<b>Current assets</b>			
Trade and other receivables	10	186,791	209,410
Cash and cash equivalents	11	39,650	30,561
		<u>226,441</u>	<u>239,971</u>
<b>Total Assets</b>		<b><u>1,554,656</u></b>	<b><u>1,160,380</u></b>
<b>Capital and Reserves</b>			
Share capital	17	100	100
Other reserves	13	7,570,342	7,078,017
Accumulated losses		(6,179,394)	(6,069,411)
<b>Total Equity &amp; Shareholders Funds</b>		<b><u>1,391,048</u></b>	<b><u>1,008,706</u></b>
<b>Current liabilities</b>			
Trade and other payables	12	153,762	132,225
<b>Total current liabilities</b>		<b><u>153,762</u></b>	<b><u>132,225</u></b>
<b>Non-current liabilities</b>			
Lease liability	14	9,846	19,449
<b>Total non-current liabilities</b>		<b><u>9,846</u></b>	<b><u>19,449</u></b>
<b>Total liabilities</b>		<b><u>163,608</u></b>	<b><u>151,674</u></b>
<b>Total equity and liabilities</b>		<b><u>1,554,656</u></b>	<b><u>1,160,380</u></b>

The notes on pages 12 to 24 form an integral part of the financial statements. These accounts were approved by the Board of Directors and authorised for issue on 4 July 2023 and were signed on its behalf by



C D Soukup Director  
Company No: 08704658

## Statement of changes in equity

for the year ended 31 December 2022

	Share capital £	Other reserves	Accumulated losses £	Shareholders' funds £
<b>Balance as at 31 December 2020</b>	<b>100</b>	<b>-</b>	<b>(5,910,430)</b>	<b>(5,910,330)</b>
Reclassify parent company capital contribution		6,493,527	-	6,493,527
Total comprehensive expense for the year	-	-	(158,981)	(158,981)
Increase in parent company capital contribution	-	584,490	-	584,490
<b>Balance as at 31 December 2021</b>	<b>100</b>	<b>7,078,017</b>	<b>(6,069,411)</b>	<b>1,008,706</b>
Total comprehensive expense for the year	-	-	(109,983)	(109,983)
Increase in parent company capital contribution	-	492,325	-	492,325
<b>Balance as at 31 December 2022</b>	<b>100</b>	<b>7,570,342</b>	<b>(6,179,394)</b>	<b>1,391,048</b>

The notes on pages 12 to 24 form an integral part of the financial statements.

## Statement of cash flows

for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
<b>Cash flows from operating activities</b>			
Loss for the year before taxation		(165,191)	(294,358)
Depreciation and amortisation	4	12,132	12,389
Decrease /(Increase) in trade and other receivables		(24,894)	(57,064)
Increase/(decrease) in trade and other payables		11,934	(20,050)
Taxation received		102,721	93,541
<b>Net cash flow from operating activities</b>		<b>(63,298)</b>	<b>(265,542)</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets	9	(1,530)	(708)
Capitalised development costs	8	(418,408)	(417,426)
<b>Net cash flow from investing activities</b>		<b>(419,938)</b>	<b>(418,135)</b>
<b>Cash flows from financing activities</b>			
Drawdown of capital contribution from parent company		492,325	584,490
<b>Net cash flow from financing activities</b>		<b>492,325</b>	<b>584,490</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,089</b>	<b>(99,187)</b>
Cash and cash equivalents at the start of the year		30,561	129,748
<b>Cash and cash equivalents at the end of the year</b>	11	<b>39,650</b>	<b>30,561</b>

## Notes to the financial statements

for the year ended 31 December 2022

### 1. Authorisation of financial statements

Autonomous Robotics Ltd is a private company limited by shares incorporated on 25 September 2013 under the laws of the United Kingdom and domiciled in England and Wales. The registered office is Eastleigh Court 2<sup>nd</sup> Floor, Bishopstrow, Warminster, BA12 9HW.

The principal accounting policies adopted by the company are set out in note 2. The principal activity of the company is that of research and development of geophysical node technology.

### 2. Accounting policies and statement of compliance

#### *Basis of preparation*

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRSs") and the Companies Act 2006.

#### *Going concern*

The financial statements have been prepared on the going concern basis. This contemplates the realisation of the assets and liabilities in the ordinary course of business. The company's ultimate holding company, Thalassa Holdings Ltd, has agreed to provide financial support to enable the company to meet its future liabilities as they fall due. A letter confirming this financial support has been obtained.

Further information in relation to the business activities is set out in the Directors' report. Information on strategies surrounding managing foreign exchange rate risk, liquidity risk, capital risk and credit risk can be found in note 15.

#### *Key sources of estimation uncertainty*

The key assumptions and judgement areas relate to the depreciation and carrying value of the plant and equipment. There are no key estimates.

#### *Foreign currency*

The functional currency of the Company is sterling GBP. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### *Financial assets*

Financial assets are cash or a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity. In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets. The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

#### *Research & development*

Management judgement is required to determine whether any of the Company's individual research and development projects reached the development stage during the year in accordance with IAS 38 and whether any amounts should be capitalised as intangible assets based on management's assessment of the technical, commercial and financial viability of the individual projects.

#### *Trade and other receivables*

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income. Provision for losses are made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies and statement of compliance (continued)

#### *Financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable economic conditions. In addition contracts which result in the Company delivering a variable number of its own equity instruments are financial liabilities. Equity instruments containing such obligations are classified as financial liabilities.

#### *Trade and other payables*

Trade and other payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

#### *Derecognition of financial assets and liabilities*

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

#### *Intangible assets*

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Company and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to Administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the intangible assets useful economic life. The amortisation is based on a straight-line method typically over a period of 1-10 years depending on the life of the related asset.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Company's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development costs to either sell or use as an asset.

#### *Tangible fixed assets*

Tangible assets are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

#### *Impairment of assets*

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises.

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies and statement of compliance (continued)

#### *Impairment of assets (continued)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### *Taxes*

Autonomous Robotics Ltd is incorporated in the UK and is therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

#### *Revenue recognition*

Turnover represents the provision of goods and services, excluding value added tax. Revenue is recognised when the right to consideration is obtained through performance of contractual obligations. Generally performance represents daily operations under an individual contract, except to the extent that specific costs are recharged as incurred.

#### *Finance income*

Income is recognised as interest accrued using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

#### *Pension scheme*

The company operates a defined contribution pension scheme and costs are expensed as incurred.

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies and statement of compliance (continued)

#### *Leases*

For any new contracts the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset, or restore a property, at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It will also be remeasured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### ***New standards and interpretations not yet adopted***

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## Notes to the financial statements

for the year ended 31 December 2022

### 3. Revenue

The Company is in the progressing stages of a research and development. The revenue reported is grant income.

	2022	2021
	£	£
Grant income	84,920	109,565
	<b>84,920</b>	<b>109,565</b>

### 4. Operating loss

This is stated after charging:

	2022	2021
	£	£
Depreciation and amortisation	12,132	12,389
Research and Development	106,528	68,390
Defined Contribution Pension costs	10,844	12,163
Audit fees	10,000	10,000

### 5. Staff costs and directors' emoluments

#### (a) Staff costs

	2022	2021
	£	£
Wages and salaries	212,245	263,196
Social security costs	22,804	27,483
Other pension costs	10,844	12,163
	<b>245,893</b>	<b>302,842</b>

The average monthly number of employees during the period was made up as follows:

	2022	2021
	No.	No.
Development	4	5
Admin	2	6
	<b>6</b>	<b>11</b>

## Notes to the financial statements

for the year ended 31 December 2022

### (b) Directors' emoluments

	2022	2021
	£	£
Remuneration for qualifying services	125,780	100,805
Social security costs	10,941	6,786
	<u>136,721</u>	<u>107,591</u>

Number of Directors	No. 2	No. 3
---------------------	----------	----------

The remuneration of the highest paid Director was £85,000 (2021: £46,422).

### 6. Finance Costs

	2022	2021
	£	£
Lease Liability Interest	633	822
Other Finance Costs	(141)	-
<b>At 31 December</b>	<u>492</u>	<u>822</u>

## Notes to the financial statements

for the year ended 31 December 2022

### 7. Taxation

#### (a) Tax on profit on ordinary activities

	2022	2021
	£	£
Current tax	-	-
Tax rebate on R&D activities	(55,208)	(135,377)
	<u>(55,208)</u>	<u>(135,377)</u>
Loss before tax	165,191	294,358
Tax at 19%	31,386	55,928
Tax rebate on current and prior year R&D activities	(55,208)	(135,377)
Losses carried forward	(31,386)	(55,928)
	<u>(55,208)</u>	<u>(135,377)</u>

#### (b) Deferred Tax

The company has unprovided trading losses carried forward of approximately £4.5m available for utilisation against future trading profits.

A deferred tax asset has not been recognized due to the uncertainty of future profits against which the losses may be utilized.

## Notes to the financial statements

for the year ended 31 December 2022

### 8. Intangible assets

	Development Costs 2022	Development Costs 2021
	£	£
Cost at 1 January	888,739	471,313
Additions	418,408	417,426
Disposals	-	-
Cost at 31 December	<u>1,307,147</u>	<u>888,739</u>
Amortisation at 1 January	-	-
Charge for the year	-	-
Disposals	-	-
Amortisation as at 31 December	<u>-</u>	<u>-</u>
Closing net book value at 31 December	<u><b>1,307,147</b></u>	<u><b>888,739</b></u>

### 9. Property, plant and equipment

	Fixtures & Fittings 2022	Fixtures & Fittings 2021
	£	£
Cost at 1 January	92,104	91,396
Adjustment on transition to IFRS 16	-	-
Additions	1,530	708
Cost at 31 December	<u>93,634</u>	<u>92,104</u>
Depreciation at 1 January	60,434	48,045
Charge for the year	12,132	12,389
Disposals	-	-
Depreciation at 31 December	<u>72,566</u>	<u>60,434</u>
Closing net book value at 31 December	<u><b>21,068</b></u>	<u><b>31,670</b></u>

## Notes to the financial statements

for the year ended 31 December 2022

### 10. Trade and other receivables

	2022	2021
	£	£
Corporation tax receivable	106,663	128,893
Other receivables	80,128	80,517
	<u>186,791</u>	<u>209,410</u>

### 11. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 December:

	2022	2021
	£	£
Cash at bank and in hand	39,650	30,561
	<u>39,650</u>	<u>30,561</u>

Cash and cash equivalents are measured at fair value.

### 12. Trade and other payables

	2022	2021
	£	£
Trade payables	32,977	11,387
Accruals	81,050	84,161
Lease Liability	9,603	9,367
Other payables	30,132	27,310
	<u>153,762</u>	<u>132,225</u>

## Notes to the financial statements

for the year ended 31 December 2022

### 13. Parent company capital contribution

	2022	2021
	£	£
Parent company capital contribution	7,570,342	7,078,017

The company has been funded by a parent company drawdown loan facility of up to £10,000,000 paid in tranches for the purpose of the purchase and/or research and development of the Autonomous Robotics Limited autonomous underwater vehicle product and any derivatives thereof. The loan was subject to interest at 5% per annum to June 2019 after which further interest is no longer chargeable. The advance is for an initial term of 12 months, renewable for further periods of 12 months unless terminated by either party with 6 months prior written notice.

#### Reclassification

As of 31 December 2020 the loan balance was reclassified as a capital contribution as there is no intention to repay the parent company loan.

### 14. Leases as lessee

The company entered into a lease for the rent of the top floor of Eastleigh Court near Warminster for £10,000 per annum. However, the rent is being accrued and will only become payable upon successful completion of the fundraising exercise.

#### Right-of-use asset

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 9).

	Leasing 2022	Leasing 2021
	£	£
Balance at 1 January	27,779	37,038
Transition to right -of-use assets	-	-
Depreciation charge for the year	(9,259)	(9,259)
Derecognition of right-of-use assets	-	-
<b>Balance at 31 December</b>	<b>18,520</b>	<b>27,779</b>

#### Lease liabilities

Current	9,603	9,367
Non-current	9,846	19,449
	<b>19,449</b>	<b>28,816</b>

Amounts recognised in profit or loss

	2022	2021
	£	£
Depreciation charge of right-of-use assets - Buildings	(9,259)	(9,259)
Interest expenses (included in finance cost)	(633)	(864)

## Notes to the financial statements

for the year ended 31 December 2022

### 15. Financial instruments

The company's financial instruments comprise cash and cash equivalents together with various items such as trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The company's principal financial instruments comprise cash and trade payables.

#### *Interest rate risk*

The company does not undertake any hedging against interest rate risk. The company finances its operations from parent company loans. The Group has no external borrowings as at 31 December 2022.

#### *Credit risk*

The Company currently has no customers.

#### *Liquidity risk*

The company is financed by parent company loans and the credit terms afforded by trade payables.

Cash flow forecasts are produced to assist management in identifying liquidity requirements and are stress tested for possible scenarios. Cash balances are readily available to settle short-term liabilities or fund capital additions.

The table below summarises the maturity profile of the company's financial liabilities at 31 December 2022 and 31 December 2021 based on contractual undiscounted payments.

#### *Year end 31 December 2022*

	<i>On demand</i>	<i>Less than 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	£	£	£	£	£	£
Trade payables	-	32,977	-	-	-	32,977
Lease liabilities	-	2,401	7,203	9,846	-	19,449

#### *Year end 31 December 2021*

	<i>On demand</i>	<i>Less than 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	£	£	£	£	£	£
Trade payables	-	11,387	-	-	-	11,387
Lease liabilities	-	2,320	7,047	19,449	-	28,816

Trade payables include amounts owed to third parties and fellow group Companies as analysed in note 12.

## Notes to the financial statements

for the year ended 31 December 2022

### 15. Financial instruments (continued)

#### *Foreign currency risk*

Transactions with overseas customers and suppliers are minimal and thus exposure to foreign currency risk is currently immaterial.

#### *Fair values of financial assets and liabilities*

At the end of 31 December, the company financial assets comprise cash balances with its book value and fair value amounting to £39,650. The fair value of financial assets and liabilities approximate to their carrying value.

### 16. Capital management

The company's capital comprises ordinary share capital and accumulated losses. The Group has access to funding via a parent company loan which is sufficient to meet expenditure and ongoing commitments. The company does not have any externally imposed capital requirements.

### 17. Issued share capital

	2022	2021
	£	£
Share Capital	100	100
	<u>100</u>	<u>100</u>

#### Issued capital comprises:

	2022	2021
Authorised, issued and fully paid		
Shares issued	100	100
	£	£
Fully paid ordinary £1 shares	100	100

### 18. Related Party Transactions

The Company owed rent of £10,000 during the period for trading premises from Eastleigh Court Limited. The beneficiaries of Eastleigh Court Ltd include D Soukup, a director during the period.

#### *Key Management Personnel Compensation*

Key management personnel during the period are deemed to be the directors Mr D Grant and A Holloway. The remuneration for these individuals is disclosed in note 5(b).

## **Notes to the financial statements**

**for the year ended 31 December 2022**

The company has been funded by a parent company loan, reclassified as capital contribution. Further details of this loan are disclosed in note 13.

### **19. Ultimate Controlling Party**

The ultimate and immediate controlling party is deemed to be Thalassa Holdings Ltd, a Company incorporated in the BVI, and whose shares are trading on London Stock Exchange plc's main market for listed securities.

### **20. Copies of the Group Financial Statements**

The ultimate parent company is Thalassa Holdings Ltd. The consolidated group financial statements are available on the Thalassa Holdings' website: [www.thalassaholdingsltd.com](http://www.thalassaholdingsltd.com).